THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Government of Andhra Pradesh, Assam, Goa, Haryana, Kerala, Maharashtra, Manipur, Punjab, and Tamil Nadu have submitted a joint Memorandum, highlighting certain issues arising out of the reocmmendations of the Eleventh Finance commission and its likely impact on the states resources during its award period.

(c) and (d): The recommendations of the Finance Commission are based on detailed assessment of the financial position of the Centre and State Governments backed by detailed reasoning and methodology adopted by it. The Finance Commission is a constitutional body and its award is generally held as sacrosanct. Government of India have been accepting the recommendations of the Commission relating to percentage share of each state and quantum of grants-in-aid without any modifications. The Government have accepted the recommendations of the Eleventh Finance Commission as contained in its main report for the period 2000-05, hence, it is not possible to after the accepted recommendations. Report of the eleventh Finance Commission on the Additional Terms of Reference has been received on 31.08.2000 which is under examination of Government.

Amendment in Tax Law

†1680. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to simplify the tax laws in order to make them more favourable to tax payers;

(b) whether Government have reviewed the simplification of tax laws following fixation of responsibilities of tax assessing officers and reforms;

(c) if so, the details thereof, and

(d) the year-wise increase in the recovery of revenues as a result of better administrative system and strict observations of tax laws during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) simplification of tax laws is an on going process, and is carried out as part of the annual budget exercise of the Government. Initiatives taken in recent period, to simplify the tax laws include reduction in the multiplicity and dispersal of customs and excise duty rates, simplification of the system of valuation in respect of excisable goods, simplification of central excise collection procedures, measures to reduce and

†Original notice of the question was received in Hindi.

expedite litigation, reduction in direct tax exemptions and deductions, and simplification, of direct tax laws relating to restructuring of business.

(d) The year-wise increase in collection of tax revenue during the last three years is as under:

(Rs. in crore)

Year	Amount	Increase
1997-1998	139132*	10696
1998-99	142971	3839
1999-2000 (Prov.)	170554	27583

(*includes Rs. 9554 crore of colection under VDIS-97)

Dilution in Foreign Exchange Reserve

†1681. SHRI RAJ MOHINDER SINGH:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that people, visiting abroad on a commercial trip are allowed to take 2 lakh dollars annually with them;

(b) if not, the details in this regard;

(c) when Government had given the sanction last time;

(d) whether Government have assessed the total outgo of foreign exchange through this medium; and

(e) if so, the expected outgo of foreign exchange from the country per year as per this decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) and (b) In terms of the Notification G.S.R. 381(E) dated May 3rd, 2000, authorised persons can release foreign exhange not exceeding USS 25,000/ to a person, irrespective of perod of stay, for business travel. or attending a conference or specialised training. Release of foreign exchange exceeding USS 25,000/—requires prior approval of Reserve Bank of India. However, this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account or Exchange earner's Foreign Currency (EEFC) Account of the remitter.

†Original notice of the question was received in Hindi.